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(Translation)

(Securities Code 4063)

June 4, 2026

(Start date for provision of electronic documents: May 28, 2026)

To: All Shareholders of Shin-Etsu Chemical Co., Ltd. (the “Company”)

Notice of Convocation of the 149th  
Ordinary General Meeting of Shareholders

Dear Shareholder:

You are hereby notified that the 149th Ordinary General Meeting of Shareholders will be held as described below.

You are entitled to exercise your voting rights via the Internet or in writing. We would appreciate it if you would take the time to review the agenda items listed in the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by no later than 5:00 p.m. on Thursday, June 25, 2026.

Description of Meeting

1. Date and Time : June 26, 2026 (Friday) at 10:00 a.m. (the reception is to start at 9:00 a.m.)
2. Place : Hall & Conference on the 2nd floor of Otemachi Place East Tower at 3-1, Ohtemachi 2-chome, Chiyoda-ku, Tokyo
3. Agenda for the Meeting:  
Matters to be reported :
  1. Report on the Business Report, the Consolidated Financial Statements, and the Audit Reports of the Accounting Auditor and the Audit & Supervisory Board on the Consolidated Financial Statements for the 149th fiscal year (April 1, 2025 through March 31, 2026)
  2. Report on the Financial Statements for the 149th fiscal year (April 1, 2025 through March 31, 2026)

Matters to be resolved:

- 1st Agendum : Distribution of Retained Earnings to Shareholders
- 2nd Agendum : Election of Nine (9) Directors
- 3rd Agendum : Election of One (1) Audit & Supervisory Board Member

Regarding the information (matters to be provided electronically) that comprises the contents of the Reference Documents for the Ordinary General Meeting of Shareholders (excluding the Voting Card), such information has been provided electronically. Please access the Company's website below and select "Investors" followed by "General Meeting of Shareholders" to review the information.

The Company's website <https://www.shinetsu.co.jp/en/>

The same information has also been provided electronically on the website of the Tokyo Stock Exchange (TSE). Please access the following TSE website (Listed Company Search), enter "Shin-Etsu Chemical" in "Issue name (company name)" or "4063" (single-byte numerals) in the securities "Code" section, click on "Search", select "Basic information" and then select "Documents for public inspection/PR information" to review the information.

Tokyo Stock Exchange (TSE) website (Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Very truly yours,

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Yasuhiko Saitoh  
Representative Director / President  
Shin-Etsu Chemical Co., Ltd.  
4-1, Marunouchi 1-chome  
Chiyoda-ku, Tokyo

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- ⊙ If, on the returned Voting Card, no indication of approval or disapproval is made for each agenda item, it will be treated as an indication of approval.
  - ⊙ If you exercise your voting rights both via the Internet and by Voting Card, the rights exercised via the Internet will be treated as effective.
  - ⊙ If you exercise your voting rights multiple times via the Internet, the latest exercised voting rights will be treated as effective. In addition, if you exercise your voting rights multiple times from a PC or a smartphone, the latest voting rights exercised from whichever devices will be treated as effective.
  - ⊙ Of the matters to be provided electronically, the following matters are not included in the documents to be delivered to shareholders who have requested such documents in accordance with the laws and regulations and the Articles of Incorporation of the Company. Therefore, documents to be delivered to the shareholders who have requested delivery in hardcopy form are a part of the subject documents which the Audit & Supervisory Board Members and the Accounting Auditor audited in the course of preparing the audit report.
    - Business Report (Matters Concerning Stock Acquisition Rights Issued by the Company, System to Ensure the Properness of Operations and the Progress thereof)
    - Consolidated Financial Statements (Notes to Consolidated Financial Statements)
    - Financial Statements (Notes to Non-Consolidated Financial Statements)
  - ⊙ Materials for the Ordinary General Meeting of Shareholders are provided to shareholders on our website. If you would like to receive the materials in paper form, you need to contact the Company's administrator of the shareholder registry or your securities company and complete the procedure for requesting the delivery of the materials in paper form by the record date for the exercise of voting rights at the Ordinary General Meeting of Shareholders.
  - ⊙ In the event that the matters to be provided electronically are revised, the fact that such revision has occurred, the items before revision, and the items after revision will be posted on the Company's website and the TSE website.

## **Guidance on How to Exercise Voting Rights**

### **If you will be exercising your voting rights via the Internet or in writing**

#### **Via the Internet**

To be exercised by: Thursday, June 25, 2026 5:00 p.m.

Please access the voting rights exercise site which we specify below and indicate your approval or disapproval and send it via the internet by the date and time shown above.

Voting rights exercise site: <https://evote.tr.mufg.jp/>

#### **By Voting Card**

To reach us by: Thursday, June 25, 2026 5:00 p.m.

Please indicate your approval or disapproval on the enclosed Voting Card sent together with this Notice of Convocation and send it back by postal mail to reach us by the date and time shown above.

### **If you will be attending the Meeting of Shareholders in person**

Date: Friday, June 26, 2026 10:00 a.m.

(The reception desk will be opened at 9:00 a.m.)

Please hand in the Voting Card sent together with this Notice of Convocation at the reception desk.

#### **To Institutional Investors**

You may exercise your voting rights using the “Electronic Voting System Platform,” operated by ICJ, Inc.

**Notice of Convocation of the 149th  
Ordinary General Meeting of Shareholders**

Table of Contents

Reference Documents for Exercising Voting Rights	
Agenda and Reference Materials	
1st Agendum: Distribution of Retained Earnings to Shareholders .....	1
2nd Agendum: Election of Nine (9) Directors .....	2
3rd Agendum: Election of One (1) Audit & Supervisory Board Member .....	12
Annex	
Business Report	
I. Matters Concerning the Current State of the Company's Group .....	13
II. Matters Concerning Stock in the Company .....	20
III. Matters Concerning Directors and Audit & Supervisory Board Members of the Company .....	21
IV. Status of Accounting Auditor .....	30
Consolidated Financial Statements	
Consolidated Balance Sheet .....	32
Consolidated Statement of Income .....	34
Consolidated Statement of Changes in Net Assets .....	35
Financial Statements (Non-Consolidated)	
Balance Sheet (Non-Consolidated) .....	36
Statement of Income (Non-Consolidated) .....	38
Statement of Changes in Net Assets (Non-Consolidated) .....	39
Audit Reports	
Audit Report of Accounting Auditor on the Consolidated Financial Statements .....	41
Audit Report of Accounting Auditor on the Financial Statements (Non-Consolidated) .....	44
Audit Report of Audit & Supervisory Board .....	47

# Reference Documents for Exercising Voting Rights

## Agenda and Reference Materials

### 1st Agendum: Distribution of Retained Earnings to Shareholders

Our basic policy is to expand profitability while exercising fiscal restraint and to return the fruits of such management efforts to our shareholders in a proper and stable manner.

The Company proposes a year-end cash dividend distribution for the 149th fiscal year as summarized below:

1. Type of Assets Proposed for Distribution  
Monetary
2. Asset Allotment Details and Total Amount  
The Company proposes a monetary allotment of ¥53 per share of Common Stock in the Company; ¥98,405,755,928 in total.
3. Effective Date of Distribution of Retained Earnings  
June 29, 2026

The Company paid an interim cash dividend of ¥53 per share for the current fiscal year; thus, the dividend payment for the full year will be ¥106 per share, which is the same amount as the annual cash dividend for the preceding fiscal year.

2nd Agendum: Election of Nine (9) Directors

Upon the conclusion of this Ordinary General Meeting of Shareholders, the terms of office of all nine (9) Directors will expire. Accordingly, the Board of Directors proposes that nine (9) persons be elected as Directors.

The candidates are as follows:

Candidate number		Name		Position and Responsibilities at the Company and Important Concurrent Positions, etc.
1	Reappointment Candidate	Fumio Akiya	Male	Representative Director - Chairman of the Board Meeting In charge of Semiconductor Materials and Technologies Representative Director & President, Shin-Etsu Handotai Co., Ltd.
2	Reappointment Candidate	Yasuhiko Saitoh	Male	Representative Director - President Director & President, SHINTECH INC. Director & President, Shin-Etsu Handotai America, Inc.
3	Reappointment Candidate	Susumu Ueno	Male	Director, Senior Managing Corporate Officer In charge of Silicone Chemical Technologies and Magnetic Materials Div.
4	Reappointment Candidate	Masahiko Todoroki	Male	Director, Senior Managing Corporate Officer In charge of Semiconductor Materials Dept. Senior Managing Director, Shin-Etsu Handotai Co., Ltd.
5	Reappointment Candidate	Kuniharu Nakamura	Outside Director Independent Officer Male	Director Special Adviser, SUMITOMO CORPORATION
6	Reappointment Candidate	Michael H. McGarry	Outside Director Independent Officer Male	Director Former Director & Chairman, Chief Executive Officer, PPG Industries, Inc. Director, Holcim AG Director, C. H. Robinson Worldwide, Inc.
7	Reappointment Candidate	Mariko Hasegawa	Outside Director Independent Officer Female	Director Former President, National University Corporation, the Graduate University for Advanced Studies, SOKENDAI President, Independent Administrative Agency, the Japan Arts Council
8	Reappointment Candidate	Takashi Hibino	Outside Director Independent Officer Male	Director Advisor, Daiwa Securities Group Inc. Chairman and CEO, Japan Securities Dealers Association Outside Director, Mitsui Fudosan Co., Ltd.

Candidate number	Name	Position and Responsibilities at the Company and Important Concurrent Positions, etc.
9	Atsuko Oka	Outside Director Representative Member of the Board, President and CEO, NTT TechnoCross Corporation Independent Officer Female

<p>No. 1</p> <p style="text-align: center;"><b>Fumio Akiya</b> (October 20, 1940)</p> <p>Number of Company Shares Held 84,700 shares</p> <p style="text-align: center;">Reappointment Candidate Male</p>	<p><b>►Career Summary, Positions, Responsibilities, and Important Positions in Other Entities</b></p> <p>Apr., 1964    Joined the Company  Oct., 1997    General Manager of Technology Dept.  June, 1998    Director  June, 2000    Managing Director  June, 2002    Senior Managing Director  June, 2004    In charge of Technology (to date)  July, 2007    Representative Director and Senior Managing Director  Nov., 2008    In charge of Semiconductor Materials (to date)  June, 2009    Representative Director and Executive Vice President  June, 2016    Representative Director and Vice Chairman  June, 2023    Representative Director and Chairman of the Board Meeting (to date)</p> <p><b>-Important Positions in Other Entities-</b>  Representative Director and President of Shin-Etsu Handotai Co., Ltd.</p> <p>► There is no special interest between the candidate and the Company.</p> <p><b>►Reasons for Nomination of Candidate as Director</b>  Mr. Fumio Akiya has extensive knowledge on production technologies and has endeavored to construct a strong foundation in the semiconductor silicon operations, and has done his utmost to increase the Company's value. For these reasons, he has been chosen as a candidate for the position of Director with expectations that he will continue contributing to the Company's management.</p>
<p>No. 2</p> <p style="text-align: center;"><b>Yasuhiko Saitoh</b> (December 5, 1955)</p> <p>Number of Company Shares Held 167,500 shares</p> <p style="text-align: center;">Reappointment Candidate Male</p>	<p><b>►Career Summary, Positions, Responsibilities, and Important Positions in Other Entities</b></p> <p>Apr., 1978    Joined the Company  Dec., 1999    Director of Shin-Etsu PVC B.V. (to date)  June, 2001    Director of the Company  June, 2002    Managing Director  June, 2005    Senior Managing Director  July, 2007    Representative Director and Senior Managing Director  June, 2010    Representative Director and Executive Vice President  June, 2016    Representative Director and President (to date)</p> <p><b>-Important Positions in Other Entities-</b>  Director and President of SHINTECH INC.  Director and President of Shin-Etsu Handotai America, Inc.</p> <p>► There is no special interest between the candidate and the Company.</p> <p><b>►Reasons for Nomination of Candidate as Director</b>  Mr. Yasuhiko Saitoh has been contributing to the development of the international business of the Group, including our PVC operations in the U.S., for many years, and since taking office as the President in June 2016, he has used his global management experience and done his utmost to increase the Company's value. For these reasons, he has been chosen as a candidate for the position of Director with expectations that he will continue contributing to the Company's management.</p>

<p>No. 3</p> <p style="text-align: center;"><b>Susumu Ueno</b> (May 24, 1943)</p> <p>Number of Company Shares Held 97,630 shares</p> <p style="text-align: center;">Reappointment Candidate Male</p>	<p><b>►Career Summary, Positions, Responsibilities, and Important Positions in Other Entities</b></p> <p>Apr., 1968    Joined the Company  June, 2005    General Manager of Gunma Complex  June, 2013    Director                    General Manager of Silicone Div.  June, 2015    Managing Director  June, 2016    Senior Managing Director  June, 2021    Director, Senior Managing Corporate Officer (to date)  June, 2025    In charge of Silicone Chemical Technologies and                    Magnetic Materials Div. (to date)</p> <p>► There is no special interest between the candidate and the Company.</p> <p><b>►Reasons for Nomination of Candidate as Director</b></p> <p>Mr. Susumu Ueno has done his utmost to increase the Company's value by endeavoring to expand the silicone operations, which have produced diverse products for many years, and by taking responsibility for matters relating to Magnetic Materials Div. For these reasons, he has been chosen as a candidate for the position of Director with expectations that he will continue contributing to the Company's management.</p>
<p>No. 4</p> <p style="text-align: center;"><b>Masahiko Todoroki</b> (May 16, 1953)</p> <p>Number of Company Shares Held 128,500 shares</p> <p style="text-align: center;">Reappointment Candidate Male</p>	<p><b>►Career Summary, Positions, Responsibilities, and Important Positions in Other Entities</b></p> <p>Apr., 1976    Joined the Company  Jan., 2001    General Manager of Planning &amp; Administration Dept. of                    Semiconductor Materials Div.  Apr., 2004    Director of Shin-Etsu Handotai Co., Ltd.  June, 2006    Director of the Company  June, 2009    Managing Director of Shin-Etsu Handotai Co., Ltd.  June, 2010    Managing Director of the Company  June, 2017    Senior Managing Director of Shin-Etsu Handotai Co.,                    Ltd. (to date)                    Senior Managing Director of the Company  June, 2021    Director, Senior Managing Corporate Officer (to date)  Apr., 2022    In charge of Semiconductor Materials Dept. (to date)</p> <p><b>-Important Positions in Other Entities-</b></p> <p>Senior Managing Director of Shin-Etsu Handotai Co., Ltd.</p> <p>► There is no special interest between the candidate and the Company.</p> <p><b>►Reasons for Nomination of Candidate as Director</b></p> <p>Mr. Masahiko Todoroki has endeavored to expand the semiconductor silicon operations for many years and has done his utmost to increase the Company's value. For these reasons, he has been chosen as a candidate for the position of Director with expectations that he will continue contributing to the Company's management.</p>

<p>No. 5</p> <p><b>Kuniharu Nakamura</b> (August 28, 1950)</p> <p>Number of Company Shares Held 0 shares</p> <p>Reappointment Candidate Outside Director Independent Officer Male</p>	<p><b>► Career Summary, Positions, Responsibilities, and Important Positions in Other Entities</b></p> <p>June, 2012 Representative Director and President, SUMITOMO CORPORATION</p> <p>Apr., 2018 Representative Director and Chairman of the above</p> <p>June, 2018 Director and Chairman of the above</p> <p>June, 2020 Director of the Company (to date)</p> <p>June, 2024 Special Adviser, SUMITOMO CORPORATION (to date)</p> <p>► There is no special interest between the candidate and the Company.</p> <p><b>► Reasons, etc. for Nomination of Candidate as Outside Director</b></p> <p>Mr. Kuniharu Nakamura is a candidate for Outside Director as defined in Item 7, Paragraph 3, Article 2 of the Ordinance for Enforcement of the Corporations Law. Mr. Nakamura, who has held, in succession, various important posts, including Representative Director and President of SUMITOMO CORPORATION, has provided beneficial recommendations, capitalizing on his outstanding knowledge and wealth of experience in international business in a wide variety of fields. He also has provided supervision from an independent standpoint. In view of this, his nomination as a candidate for Outside Director reflects the confidence that the Company places in him to continue to provide the required quality of recommendations and supervision. Moreover, he assumed the position of Outside Director of the Company in June 2020 so his term of office as Outside Director of the Company will have reached six (6) years as of the close of this General Meeting of Shareholders.</p> <p>► The Company has reported Mr. Kuniharu Nakamura as an Independent Officer as provided in the applicable regulations of the Tokyo Stock Exchange, Inc., etc. If Mr. Nakamura will be reappointed as Director, he is planned to continue acting as an Independent Officer.</p>
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No. 6

**Michael H. McGarry**  
(March 7, 1958)

Number of Company Shares Held  
0 shares

Reappointment Candidate

Outside Director

Independent Officer

Male

**► Career Summary, Positions, Responsibilities, and Important Positions in Other Entities**

July, 2015 Director, Chief Executive Officer of PPG Industries, Inc.  
Sep., 2016 Director, Chairman and Chief Executive Officer of the Above  
June, 2022 Director of the Company (to date)  
Jan., 2023 Executive Chairman and Director of PPG Industries, Inc.

**-Important Positions in Other Entities-**

Director, Holcim AG  
Director, C. H. Robinson Worldwide, Inc.

► There is no special interest between the candidate and the Company.

**► Reasons, etc. for Nomination of Candidate as Outside Director**

Mr. Michael H. McGarry is a candidate for Outside Director as defined in Item 7, Paragraph 3, Article 2 of the Ordinance for Enforcement of the Corporations Law. Mr. McGarry, who has held various important posts consecutively, including Director, Chairman and Chief Executive Officer of PPG Industries, Inc., in the United States, a worldwide manufacturer of paints, coatings, etc., is well versed in management in the United States, Europe, and Asia, and has provided beneficial recommendations, capitalizing on his outstanding knowledge and wealth of experience in a wide range of chemical fields, which includes driving the business portfolio reforms at the company. He also has provided supervision from an independent standpoint. In view of this, his nomination as a candidate for Outside Director reflects the confidence that the Company places in him to continue to provide the required quality of recommendations and supervision. Moreover, he assumed the position of Outside Director of the Company in June 2022 so his term of office as Outside Director of the Company will have reached four (4) years as of the close of this General Meeting of Shareholders.

► The Company has reported Mr. Michael H. McGarry as an Independent Officer as provided in the applicable regulations of the Tokyo Stock Exchange, Inc., etc. If Mr. McGarry will be reappointed as Director, he is planned to continue acting as an Independent Officer.

No. 7

**Mariko Hasegawa**  
(July 18, 1952)

Number of Company Shares Held  
0 shares

Reappointed Candidate

Outside Director

Independent Officer

Female

**► Career Summary, Positions, Responsibilities, and Important Positions in Other Entities**

Apr., 1983 Research assistant, the Department of Biological Sciences, Faculty of Science, The University of Tokyo  
Jan., 2006 Professor at the Hayama Center for Advanced Studies of National University Corporation, the Graduate University for Advanced Studies, SOKENDAI  
Mar., 2007 Committee member of the National Public Safety Commission  
Apr., 2014 Executive Director/Vice President of SOKENDAI  
Apr., 2017 President of SOKENDAI  
Apr., 2023 President of Independent Administrative Agency, the Japan Arts Council (to date)  
June, 2023 Director of the Company (to date)

**-Important Positions in Other Entities-**

President of Independent Administrative Agency, the Japan Arts Council

► There is no special interest between the candidate and the Company.

**► Reasons, etc. for Nomination of Candidate as Outside Director**

Ms. Mariko Hasegawa is a candidate for Outside Director as defined in Item 7, Paragraph 3, Article 2 of the Ordinance for Enforcement of the Corporations Law. Ms. Hasegawa, who served as President of National University Corporation, the Graduate University for Advanced Studies, SOKENDAI and a committee member of the National Public Safety Commission built upon her many achievements as a researcher in the field of natural anthropology, has provided her beneficial recommendations, capitalizing on her outstanding knowledge and wealth of experience in a wide variety of fields. She also has provided supervision from an independent standpoint. In view of this, her nomination as a candidate for Outside Director reflects the confidence that the Company places in her to continue to provide the required quality of recommendations and supervision. Moreover, she assumed the position of Outside Director of the Company in June 2023 so her term of office as Outside Director of the Company will have reached three (3) years as of the close of this General Meeting of Shareholders.

► The Company has reported Ms. Mariko Hasegawa as an Independent Officer as provided in the applicable regulations of the Tokyo Stock Exchange, Inc., etc. If Ms. Hasegawa will be reappointed as Director, she is planned to continue acting as an Independent Officer.

No. 8

**Takashi Hibino**  
(September 27, 1955)

Number of Company Shares Held  
0 shares

Reappointed Candidate

Outside Director

Independent Officer

Male

**► Career Summary, Positions, Responsibilities, and Important Positions in Other Entities**

Apr., 2011 Director and President, Chief Executive Officer of Daiwa Securities Group Inc.  
Apr., 2017 Director and Chairman of the Board, Corporate Executive Officer of the above  
June, 2024 Director of the Company (to date)  
June, 2025 Advisor of Daiwa Securities Group Inc. (to date) Chairman and CEO of Japan Securities Dealers Association (to date)

**-Important Positions in Other Entities-**

Chairman and CEO of Japan Securities Dealers Association  
Outside Director of Mitsui Fudosan Co., Ltd.

► There is no special interest between the candidate and the Company.

**► Reasons, etc. for Nomination of Candidate as Outside Director**

Mr. Takashi Hibino is a candidate for Outside Director as defined in Item 7, Paragraph 3, Article 2 of the Ordinance for Enforcement of the Corporations Law. Mr. Hibino, who served as Director and President, Chief Executive Officer, etc., of Daiwa Securities Group Inc., a global securities company, has provided beneficial recommendations, capitalizing on his outstanding knowledge and wealth of experience in the financial industry. He also has provided supervision from an independent standpoint. In view of this, his nomination as a candidate for Outside Director reflects the confidence that the Company places in him to continue to provide the required quality of recommendations and supervision. Moreover, he assumed the position of Outside Director of the Company in June 2024 so his term of office as Outside Director of the Company will have reached two (2) years as of the close of this General Meeting of Shareholders.

► The Company has reported Mr. Takashi Hibino as an Independent Officer as provided in the applicable regulations of the Tokyo Stock Exchange, Inc., etc. If Mr. Hibino will be reappointed as Director, he is planned to continue acting as an Independent Officer.

<p>No. 9</p> <p style="text-align: center;"><b>Atsuko Oka</b> (October 18, 1963)</p> <p>Number of Company Shares Held 0 shares</p> <p style="text-align: center;">Newly Nominated Candidate Outside Director Independent Officer Female</p>	<p><b>►Career Summary, Positions, Responsibilities, and Important Positions in Other Entities</b></p> <p>June, 2019 Member of the Board, Head of Technology Planning of NIPPON TELEGRAPH AND TELEPHONE CORPORATION (currently “NTT, Inc.”)</p> <p>June, 2022 Executive Vice President, Head of Research and Development Planning of the above</p> <p>June, 2023 Representative Member of the Board, President and CEO of NTT TechnoCross Corporation (to date)</p> <p><b>-Important Positions in Other Entities-</b></p> <p>Representative Member of the Board, President and CEO of NTT TechnoCross Corporation</p> <p>► There is no special interest between the candidate and the Company.</p> <p><b>► Reasons, etc. for Nomination of Candidate as Outside Director</b></p> <p>Ms. Atsuko Oka is a candidate for Outside Director as defined in Item 7, Paragraph 3, Article 2 of the Ordinance for Enforcement of the Corporations Law. Ms. Oka, who served as the Head of Research and Development Planning of NTT, Inc., which conducts cutting-edge research, and who serves as an executive of NTT group company, has expert knowledge and abundant experience in the fields of research and development and human capital. For these reasons, she has been chosen as a candidate for the position of Outside Director with expectations that she will provide us with supervision and advice from an independent standpoint.</p> <p>► Ms. Atsuko Oka meets the Independent Officer requirements provided in the applicable regulations of the Tokyo Stock Exchange, Inc., etc. If Ms. Atsuko Oka is appointed as a director, the plan is for her to serve as an Independent Officer.</p>
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- Notes
1. The Company has entered into an agreement with each of the four persons, Mr. Kuniharu Nakamura, Mr. Michael H. McGarry, Ms. Mariko Hasegawa, and Mr. Takashi Hibino pursuant to Paragraph 1, Article 427 of the Corporations Law, to limit the amount of the liability for damages stipulated in Paragraph 1, Article 423 of the said law to the amount set forth in the applicable law. If their reelections are approved, the relevant agreements are scheduled to remain effective. If Ms. Atsuko Oka is appointed as a director, the Company will enter into the same agreement with her.
  2. The Company has entered into a directors and officers liability insurance agreement with an insurance company, pursuant to Paragraph 1, Article 430-3 of the Corporations Law. The outline of the contents of the insurance agreement is as described in “III. Matters Concerning Directors and Audit & Supervisory Board Members of the Company, 1. Name and Other Information Concerning Directors and Audit & Supervisory Board Members, Note 7” of the Business Report. The candidates other than Ms. Atsuko Oka are covered by the insurance agreement and they will continue to be covered by these insurance policies upon approval of their reappointment. Moreover, if Ms. Atsuko Oka is appointed as a director, she will be covered by these insurance policies. In addition, the Company plans to renew the insurance policies on the same terms at the next time of renewal.
  3. Ms. Atsuko Oka is registered as Atsuko Sumi in Japan’s Family Register System.

[Reference] Expertise and areas of involvement of candidates for Directors

The main expertise expected of candidates for Director listed in the 2nd Agendum is as follows:

Candidate	Growth strategy	Production technology/ Productivity	Product development	Risk management	Capital policy	Human capital	Sustainability
Fumio Akiya	●	●	●	●		●	●
Yasuhiko Saitoh	●		●	●	●	●	●
Susumu Ueno	●	●	●	●			●
Masahiko Todoroki	●		●	●			●
Kuniharu Nakamura	●			●	●		●
Michael H. McGarry	●	●		●	●	●	●
Mariko Hasegawa				●		●	●
Takashi Hibino	●			●	●		●
Atsuko Oka		●	●	●		●	●

Note: The above list represents the most specialized expertise of each candidate for Director and is not meant to be an exhaustive list of their knowledge and experience.

Risk management and Sustainability are areas in which the Company expects all Directors to be involved.

An overview of each area of expertise shown in the table above is as follows.

Expertise	Overview
Growth strategy	Skills and experience in formulating policies from a longer-term perspective for the purpose of enhancing corporate value and ensuring sustained business growth, and in executing or overseeing various measures for realizing such policies.
Production technology/ Productivity	Skills and experience in executing or overseeing various measures aimed at transforming production technology from the perspectives of mainly productivity improvements, safe and stable operations, and the reduction of environmental impacts.
Product development	Skills and experience in executing or overseeing product development activities aimed at further strengthening competitiveness and achieving early commercialization.
Risk management	Skills and experience in anticipating all kinds of risks that may arise in business activities in general, and in executing or overseeing various measures related to the prevention and mitigation of such risks.
Capital policy	Skills and experience in examining and executing capital policies for making the Company's financial base more resilient, for growth investments, and for enhancing shareholder returns, or in overseeing the execution of such policies.
Human capital	Skills and experience in executing or overseeing human capital management, including securing and developing talent, building a corporate culture that embodies organizational diversity, and enhancing individual employee engagement.
Sustainability	Skills and experience in executing or overseeing corporate governance, addressing global environmental issues such as climate change, and implementing activities that respect human rights, all of which form the foundation for the sustained enhancement of corporate value.

**3rd Agendum:** Election of One (1) Audit & Supervisory Board Member

Upon the conclusion of this Ordinary General Meeting of Shareholders, the term of office of one (1) Audit & Supervisory Board Member, namely, Mr. Yoshihito Kosaka, will expire. Accordingly, the Board of Directors proposes that one (1) person be elected as an Audit & Supervisory Board Member. The candidate for the above is as follows:

In addition, this agendum has obtained the consent of the Audit & Supervisory Board.

<p><b>Shunichi Kuryu</b> (December 6, 1958)</p> <p>Number of Company Shares Held 0 shares</p> <p style="border: 1px solid black; display: inline-block; padding: 2px;">Newly Nominated Candidate</p> <p style="border: 1px solid black; display: inline-block; padding: 2px;">Outside Audit &amp; Supervisory Board Member</p> <p style="border: 1px solid black; display: inline-block; padding: 2px;">Independent Officer</p> <p style="border: 1px solid black; display: inline-block; padding: 2px;">Male</p>	<p><b>▶Career Summary, Positions, and Important Positions in Other Entities</b></p> <p>Apr., 1981    Joined the National Police Agency  Jan., 2014    Director-General of Criminal Affairs Bureau, the National Police Agency  Aug., 2016    Deputy Commissioner General, the National Police Agency  Jan., 2018    Commissioner General, the National Police Agency  Oct., 2021    Deputy Chief Cabinet Secretary</p> <p>▶ There is no special interest between the candidate and the Company.</p> <p><b>▶Reasons, etc. for Nomination of Candidate as Outside Audit &amp; Supervisory Board Member</b></p> <p>Mr. Shunichi Kuryu is a candidate for Outside Audit &amp; Supervisory Board Member as defined in Item 8, Paragraph 3, Article 2 of the Ordinance for Enforcement of the Corporations Law. Mr. Kuryu, who served as the Commissioner General of the National Police Agency and Deputy Chief Cabinet Secretary, etc., has a wealth of experience and broad insight regarding organizational management in the public administration field. In view of this, his nomination as a candidate for Outside Audit &amp; Supervisory Board Member reflects the confidence that the Company places in him to perform his duties from a professional perspective in risk management, etc. and to contribute to establishing a compliance structure for the Company.</p> <p>▶ Mr. Shunichi Kuryu meets the Independent Officer requirements provided in the applicable regulations of the Tokyo Stock Exchange, Inc., etc. If Mr. Shunichi Kuryu is appointed as an Audit &amp; Supervisory Board Member, the plan is for him to serve as an Independent Officer.</p>
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Notes 1. If Mr. Shunichi Kuryu is appointed as an Audit & Supervisory Board Member, the Company will enter into an agreement with him, pursuant to Paragraph 1, Article 427 of the Corporations Law, to limit the amount of the liability for damages stipulated in Paragraph 1, Article 423 of the said law to the amount set forth in the applicable law.

2. The Company has entered into a directors and officers liability insurance agreement with an insurance company, pursuant to Paragraph 1, Article 430-3 of the Corporations Law. The outline of the contents of the insurance agreement is as described in “III. Matters Concerning Directors and Audit & Supervisory Board Members of the Company, 1. Name and Other Information Concerning Directors and Audit & Supervisory Board Members, Note 7” of the Business Report. If Mr. Shunichi Kuryu is appointed as an Audit & Supervisory Board Member, he will be covered by these insurance policies. In addition, the Company plans to renew the insurance policies on the same terms at the next time of renewal.

[End]

## ANNEX

# BUSINESS REPORT

(April 1, 2025 through March 31, 2026)

## I. Matters Concerning the Current State of the Company's Group

### 1. Business Operations

During the fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026), the global economy and industries have been tossed about by the various policies taken by the U.S. under its America First agenda since last April. However, as indicated in the World Economic Outlook of the IMF and the Global Economic Prospects of the World Bank Group, the growth has slowed but has managed to weather the storm. On the other hand, China's excessive supply/export has not yet subsided; rather, it has become even more necessary to conduct business with the expectation that this oversupply would continue for a considerable period. And the war that broke out at the end of February this year between the United States/Israel and Iran has significantly rattled the global economy. Under these circumstances, we have maintained close communication with our customers, continued to provide a reliable supply of products with required quality, and conducted sales with agility.

As a result, the net sales for the Company's group for this consolidated fiscal year increased by 0.5% (12,720 million yen) compared with the previous fiscal year to 2,573,969 million yen. Compared to the performance of the previous fiscal year, operating income decreased by 14.4% (106,901 million yen) to 635,204 million yen, ordinary income decreased by 13.7% (112,262 million yen) to 708,281 million yen. Profit attributable to owners of parent decreased by 11.2% (59,562 million yen) to 474,459 million yen.

We will continue to focus even more on business growth and improved operating performance. To that end, we will accelerate the development of products that are valuable to our customers and actively continue capital investments with a medium- to long-term perspective in order to meet the needs and demands of the customers and markets in a timely manner.

The business operations of each division were as follows:

#### Electronics Materials

This division's total sales increased by 8.7% (81,453 million yen) from the previous fiscal year to 1,015,765 million yen, and operating income increased by 6.1% (19,777 million yen) to 344,537 million yen.

In the semiconductor market, the demand related to AI continued to be strong, while the demands in other sectors have finally started to rise. By capturing this trend, we increased the sales of semiconductor materials such as silicon wafer, photoresists and photomask blanks.

#### Infrastructure Materials

This division's total sales decreased by 5.8% (60,201 million yen) from the previous fiscal year to 981,370 million yen, and operating income decreased by 43.4% (126,576 million yen) to 164,890 million yen.

As for PVC, the demand in North America was strong until the middle of last year, but the market has since softened. Although prices have been sluggish in Asian and other overseas markets, we have utilized our extensive sales network to make the best sales possible. As for caustic soda,

we have generally secured stable sales in terms of both price and quantity. In response to rising raw material and energy prices caused by the outbreak of war in Iran and the Middle East, we initiated and pushed forward price increases across all products.

#### Functional Materials

This division's total sales decreased by 1.7% (7,795 million yen) from the previous fiscal year to 440,847 million yen, but operating income increased by 0.9% (933 million yen) to 100,955 million yen.

We focused on significantly increasing the sales of highly functional product groups and those results have begun to translate into profits.

#### Processing & Specialized Services

This division's total sales decreased by 0.5% (737 million yen) from the previous fiscal year to 135,985 million yen, and operating income decreased by 5.0% (1,453 million yen) to 27,338 million yen.

The demand for semiconductor-related containers was strong. In the automotive-related products, the sales for silicone molded products increased.

## 2. Status of Capital Investments and Procurement of Funds of the Company's Group

The Company's group invested 339,706 million yen during this consolidated fiscal year mainly in the following:

Major facilities completed during this consolidated fiscal year:

Enhancement of the facility for manufacturing advanced functional silicone products (the Company's Gunma Complex, Takefu Plant and Naoetsu Plant)

Enhancement of the storage facility for pharmaceutical cellulose excipients (the Company's Naoetsu Plant)

Facilities under construction as of the end of this consolidated fiscal year:

Enhancement of the PVC materials manufacturing plant (SHINTECH INC.)

Enhancement of the facility for manufacturing advanced functional silicone products and eco-friendly silicone products (the Company's Gunma Complex, Shin-Etsu Silicones (Thailand) Limited, etc.)

Construction of a manufacturing and development base for semiconductor lithography materials (the Company's Isesaki Campus)

Enhancement of the facility for manufacturing pharmaceutical cellulose excipients (the Company's Naoetsu Plant, SE-Tylose GmbH & Co. KG)

The Company's group expended mostly its own funds for investment capital during this consolidated fiscal year.

Note: In addition to the above, a silicone manufacturing plant is under construction at Shin-Etsu Silicone (Pinghu) Co., Ltd., a non-consolidated subsidiary.

## 3. Problems Confronting the Company's Group

### (1) Basic Management Policies, Management Indicator as a Target and Mid- to Long-term Management Strategies

The Company aims to respond to our shareholders' expectations by creating the value for society and industries through the provision of unrivaled key materials technologies. To achieve this, we are developing numerous products that will help resolve the issues faced by customers and industries. At the same time, while pursuing the world's highest level of technology and quality and constantly striving to improve productivity, we are stably supplying products to customers all over the world. In order to sustain these efforts, we are striving to respond promptly and precisely to the changes in the customer trend and market conditions.

We will provide materials and technologies essential to the semiconductor industry, which is growing exponentially, and as a comprehensive manufacturer of advanced electronics materials, we will expand new functions particularly those that support the advancement of AI. We will pursue business opportunities related to AI infrastructure across all business segments. We will pursue economies of scale and multi-layered business development in Infrastructure Materials. We will also achieve progress in solving issues with the use of silicones.

In every economy it is imperative to maximize efficiency in this day and age when there is a greater need for human society to pursue sustainable growth and better quality of life while lessening the burden on the environments. We believe that we have and can play a key role to that end. We will work to ensure that many of our products serve these purposes, so that the more our products

are used, the more we can contribute to industry and people's lives. We will thus fulfill our role as an essential supplier that supports the world's industries and people's lives.

The management indicator sets a target of increasing revenue and earnings every fiscal year. Among our main products, there are some that are affected by changes in the business environment including market conditions. In addition to responding with agility to changes in the external environment, we will further strengthen the resilience of each business. We will continue to work towards further growth of our business in the next fiscal year. We will continue to focus on these efforts so that our products will be used more widely in society and industries.

## (2) Problems to be Addressed by the Company's Group

In order to reliably meet the demands of our customers, we constantly inspect the supply system, and take measures in advance to expand it. The economic situation has been fluctuating widely, beyond the range that has been the case in the past. In addition, excess exports from China are expected to continue in multiple markets. We will take multifaced measures to address these issues.

### [Reference] Promoting Sustainability Initiatives

The Company's group, guided by the corporate principle of "The Group actively conducts in sustainable business practices and creates the value sought by society and industry through the provision of unrivaled key materials technologies," is addressing a wide range of key sustainability issues. These include thorough compliance with laws and regulations; ensuring the safety and health of employees; reducing environmental impact; improving product quality and safety; respecting human rights; and fostering human resource development and diversity. In May 2023, the Company's group formulated a plan to achieve net-zero greenhouse gas emissions, aiming for carbon neutrality by 2050, and is working toward its realization. In addition, the Company's group set new interim targets in May 2026.

For details, please visit the Company's website: "Sustainability – Climate Change: Initiatives Aimed at Carbon Neutrality."

[https://www.shinetsu.co.jp/en/sustainability/esg\\_environment/initiative\\_cn/](https://www.shinetsu.co.jp/en/sustainability/esg_environment/initiative_cn/)

## 4. Trend of Business Results and Financial Conditions

Item	Year	146th Fiscal Year	147th Fiscal Year	148th Fiscal Year	149th Fiscal Year
Net Sales	(Million Yen)	2,808,824	2,414,937	2,561,249	2,573,969
Profit attributable to owners of parent	(Million Yen)	708,238	520,140	534,021	474,459
Net Income per Share	(Yen)	347.84	259.41	269.52	252.69
Net Assets	(Million Yen)	4,026,209	4,424,073	4,837,585	4,643,307
Total Assets	(Million Yen)	4,730,394	5,147,974	5,636,601	5,661,907

- Notes: 1. The Company carried out a 5-for-1 share split of its common shares as of April 1, 2023. In accordance with the Accounting Standard for Net Income per Share, Net Income per Share is calculated on the assumption that the share split was carried out at the beginning of the 146th financial year.
2. For the 147th Fiscal Year, the net sales and net income decreased because certain products were affected by market conditions.
3. For the 149th Fiscal Year, the net income decreased because certain products were affected by market conditions.

5. Status of Major Subsidiary Companies, etc. (as of March 31, 2026)

(1) Status of Major Subsidiary Companies

Name of Company	Amount of Capital	Holding Ratio (%)	Major Lines of Business
SHINTECH INC. (U.S.A.)	US \$18.75	100.0	Manufacture and sales of polyvinyl chloride
Shin-Etsu Handotai Co., Ltd.	¥10,000 million	100.0	Manufacture and sales of semiconductor silicon
Shin-Etsu Handotai America, Inc. (U.S.A.)	US \$150 million	100.0 (100.0)	Manufacture and sales of semiconductor silicon
Shin-Etsu PVC B.V. (Netherlands)	EUR18 thousand	100.0 (100.0)	Manufacture and sales of polyvinyl chloride
Shin-Etsu Handotai Taiwan Co., Ltd. (Taiwan)	NT\$1,500 million	70.0 (70.0)	Processing and sales of semiconductor silicon
Mimasu Semiconductor Industry Co., Ltd.	¥18,824 million	100.0	Processing of semiconductor silicon and sales of precision equipment
Shin-Etsu Polymer Co., Ltd.	¥11,635 million	53.6 (0.1)	Manufacture and sales of plastic products, etc.
S.E.H. Malaysia Sdn. Bhd. (Malaysia)	RM188 million	100.0 (100.0)	Processing and sales of semiconductor silicon
Shin-Etsu Engineering Co., Ltd.	¥200 million	100.0	Design, engineering and construction of plants, etc.
SHIN-ETSU HANDOTAI EUROPE LIMITED (U.K.)	£Stg. 73 million	100.0 (100.0)	Processing and sales of semiconductor silicon
SE Tylose GmbH & Co. KG (Germany)	EUR 500 thousand	100.0 (100.0)	Manufacture and sales of cellulose derivative products
Shin-Etsu Silicones (Thailand) Limited (Thailand)	THB 6,325 million	100.0	Manufacture and sales of silicone products
Asia Silicones Monomer Limited (Thailand)	THB 3,393 million	100.0 (100.0)	Manufacture of silicone monomer
JAPAN VAM & POVAL CO., LTD.	¥2,000 million	100.0	Manufacture and sales of vinyl acetate monomer and polyvinyl alcohol

Note: For the column regarding holding ratio, the upper number indicates the entire ratio of holdings held by both the Company and the Subsidiary Companies, while the lower number indicates the ratio held by the Subsidiary Companies. The holding ratios are computed net of any treasury shares held.

(2) Status of Major Affiliated Company

Name of Company	Amount of Capital	Holding Ratio (%)	Major Lines of Business
SHIN-ETSU QUARTZ PRODUCTS COMPANY LTD.	¥1,000 million	50.0	Manufacture and sales of quartz glass products

### (3) Results of Consolidation

For this consolidated fiscal year, there are 98 consolidated subsidiaries, etc. and 2 companies to which the equity method is applied, including the Major Subsidiary Companies and the Affiliated Companies mentioned above.

For this consolidated fiscal year, net sales amounted to 2,573,969 million yen (up by 0.5% from the previous fiscal year), and the profit attributable to owners of parent amounted to 474,459 million yen (down by 11.2% from the previous fiscal year).

### 6. Major Lines of Business of the Company's Group (as of March 31, 2026)

The Company's group's major lines of business are the manufacture and sales of the following products:

Electronics Materials	Semiconductor Silicon, Rare Earth Magnets, Semiconductor Encapsulating Materials, LED Packaging Materials, Photoresists, Photomask Blanks, Synthetic Quartz Products
Infrastructure Materials	Polyvinyl Chloride, Caustic Soda, Methanol, Chloromethanes, Poval
Functional Materials	Silicones, Cellulose Derivatives, Silicon Metal, Synthetic Pheromones, Vinyl Chloride - Vinyl Acetate Copolymer Resin, Liquid Fluoroelastomers, Pellicles
Processing & Specialized Services	Processed Plastics, Export of Technologies and Plants, Export and Import of Products, Engineering

### 7. Major Bases of the Company's Group (as of March 31, 2026)

#### (1) Company

Principal Office: 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan

Branch Offices: Osaka Branch, Nagoya Branch and Fukuoka Branch

Plants: Naoetsu Plant (Niigata Prefecture), Takefu Plant (Fukui Prefecture), Gunma Complex [Isobe Plant and Matsuida Plant], Kashima Plant (Ibaraki Prefecture) and Isesaki Campus (Gunma Prefecture)

Research & Development Centers: Silicone-Electronics Materials Research Center (Gunma Prefecture), Advanced Functional Materials Research Center (Gunma Prefecture), PVC and Polymer Materials Research Center (Ibaraki Prefecture), Specialty Chemicals Research Center (Niigata Prefecture), New Functional Materials Research Center (Niigata Prefecture) and Magnetic Materials Research Center (Fukui Prefecture)

Note: Isesaki Campus was newly established on January 1, 2026.

(2) Subsidiaries

Domestic: Shin-Etsu Handotai Co., Ltd. (Tokyo); Shin-Etsu Polymer Co., Ltd. (Tokyo); Shin-Etsu Engineering Co., Ltd. (Tokyo); Mimasu Semiconductor Industry Co., Ltd. (Gunma Prefecture); and JAPAN VAM & POVAL CO., LTD. (Osaka Prefecture)

Overseas: SHINTECH INC. (U.S.A.); Shin-Etsu Handotai America, Inc. (U.S.A.); Shin-Etsu PVC B.V. (Netherlands); Shin-Etsu Handotai Taiwan Co., Ltd. (Taiwan); S.E.H. Malaysia Sdn. Bhd. (Malaysia); SHIN-ETSU HANDOTAI EUROPE LIMITED (U.K.); SE Tylose GmbH & Co. KG (Germany); Shin-Etsu Silicones (Thailand) Limited (Thailand); and Asia Silicones Monomer Limited (Thailand)

8. Status of Employees of the Company's Group and the Company (as of March 31, 2026)

(1) Status of Employees of the Company's Group

Business	Number of Employees	Increase or Decrease Compared with the End of the Previous Fiscal Year
Electronics Materials	13,566	+200
Infrastructure Materials	1,957	-18
Functional Materials	4,445	-1
Processing & Specialized Services	7,374	-113
Total	27,342	+68

Note: The number of employees is the number of persons actually at work.

(2) Status of Employees of the Company

Number of Employees	Increase or Decrease Compared with the End of the Previous Fiscal Year	Average Age	Average Years of Service
4,059	+178	40.8	18.8

Note: The number of employees is the number of persons actually at work.

9. Major Lenders to the Company's Group (as of March 31, 2026)

Name of Lender	Outstanding Borrowings (Million Yen)
MUFG Bank, Ltd.	171,546
Hachijuni Nagano Bank, Ltd.	62,000

Note: The corporate name of Hachijuni Nagano Bank, Ltd. was changed from The Hachijuni Bank, Ltd. due to the merger with The Nagano Bank, Ltd. on January 1, 2026.

## II. Matters Concerning Stock in the Company (as of March 31, 2026)

### 1. Number of Shares and Shareholders

Total number of shares authorized to be issued:	8,000,000,000
Total number of issued shares:	1,984,995,865
Number of shareholders:	302,038

Note: The total number of issued shares includes 128,283,489 treasury shares.

### 2. Major Shareholders

Name of Shareholder	Number of Shares Held (Thousands of Shares)	Holding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	337,743	18.2
Custody Bank of Japan, Ltd. (Trust Account)	133,806	7.2
Nippon Life Insurance Company	76,765	4.1
Hachijuni Nagano Bank, Ltd.	56,565	3.0
THE CHASE MANHATTAN BANK,N.A. LONDONSECS LENDING OMNIBUS ACCOUNT	55,491	3.0
Meiji Yasuda Life Insurance Company	53,439	2.9
STATE STREET BANK AND TRUST COMPANY 505001	47,460	2.6
GOVERNMENT OF NORWAY	37,609	2.0
JP MORGAN CHASE BANK 385781	32,033	1.7
JP MORGAN CHASE BANK 385642	30,039	1.6

Note: The Company, which owns 128,283,489 treasury shares, is excluded from consideration as a major shareholder as defined above. The holding ratios are the computed net of this treasury stock.

### III. Matters Concerning Directors and Audit & Supervisory Board Members of the Company

#### 1. Name and Other Information Concerning Directors and Audit & Supervisory Board Members (as of March 31, 2026)

Title	Name	Responsibilities, Important Concurrent Positions, etc.
Representative Director - Chairman of the Board Meeting	Fumio Akiya	In charge of Semiconductor Materials and Technologies Representative Director & President, Shin-Etsu Handotai Co., Ltd.
Representative Director - President	Yasuhiko Saitoh	Director & President, SHINTECH INC. Director & President, Shin-Etsu Handotai America, Inc.
Director, Senior Managing Corporate Officer	Susumu Ueno	In charge of Silicone Chemical Technologies and Magnetic Materials Div.
Director, Senior Managing Corporate Officer	Masahiko Todoroki	In charge of Semiconductor Materials Dept. Senior Managing Director, Shin-Etsu Handotai Co., Ltd.
Director <sup>1</sup>	Hiroshi Komiyama	Chairman, Mitsubishi Research Institute, Inc.
Director <sup>1</sup>	Kuniharu Nakamura	Special Adviser, SUMITOMO CORPORATION Outside Director, Panasonic Holdings Corporation
Director <sup>1</sup>	Michael H. McGarry	Director, Holcim AG Director, C.H. Robinson Worldwide, Inc.
Director <sup>1</sup>	Mariko Hasegawa	President, Independent Administrative Agency, the Japan Arts Council
Director <sup>1</sup>	Takashi Hibino	Chairman and CEO, Japan Securities Dealers Association Outside Director, Mitsui Fudosan Co., Ltd.
Full-time Audit & Supervisory Board Member	Hidenori Onezawa	
Full-time Audit & Supervisory Board Member	Yoshimitsu Takahashi	
Audit & Supervisory Board Member <sup>2</sup>	Yoshihito Kosaka	C.P.A./Certified Public Tax Accountant
Audit & Supervisory Board Member <sup>2</sup>	Mitsuko Kagami	Lawyer Partner Lawyer, KAGAMI Law Office Outside Director, MEDIPAL HOLDINGS CORPORATION
Audit & Supervisory Board Member <sup>2</sup>	Hiroko Kaneko	C.P.A. Member of the Business Accounting Council, Financial Services Agency Outside Director/Audit & Supervisory Committee Member, Mitsubishi HC Capital Inc. Outside Audit & Supervisory Board Member, Development Bank of Japan Inc.

Notes: 1. <sup>1</sup> indicates an Outside Director as defined in Item 15, Article 2 of the Corporations Law.

2. <sup>2</sup> indicates an Outside Audit & Supervisory Board Member as defined in Item 16, Article 2 of the Corporations Law.

3. Described below are important concurrent services as executives for other companies performed by Outside Directors and Outside Audit & Supervisory Board Members and the relationship between the Company and such other companies. Mr. Hiroshi Komiyama, Outside Director, serves in a concurrent role at Mitsubishi Research Institute, Inc. However,

there is no special relationship between the Company and such company that must be disclosed under this item. Ms. Mariko Hasegawa, Outside Director, serves in a concurrent role at Independent Administrative Agency, the Japan Arts Council. However, there is no special relationship between the Company and the Independent Administrative Agency that must be disclosed under this item. Mr. Takashi Hibino, Outside Director, serves in a concurrent role at the Japan Securities Dealers Association. However, there is no special relationship between the Company and such association that must be disclosed under this item. Ms. Mitsuko Kagami, Outside Audit & Supervisory Board Member, serves in a concurrent role at KAGAMI Law Office. However, there is no special relationship between the Company and such firm that must be disclosed under this item.

4. Described below are important concurrent services as Outside Directors or Outside Audit & Supervisory Board Members etc., for other companies performed by Outside Directors and Outside Audit & Supervisory Board Members and the relationship between the Company and such other companies. Mr. Kuniharu Nakamura, Outside Director, serves concurrently as Outside Director for Panasonic Holdings Corporation. However, there is no special relationship between the Company and such company that must be disclosed under this item. Mr. Michael H. McGarry, Outside Director, serves concurrently as Director for Holcim AG and C.H. Robinson Worldwide, Inc. However, there is no special relationship between the Company and either of these two companies that must be disclosed under this item. Mr. Takashi Hibino, Outside Director, serves concurrently as Outside Director for Mitsui Fudosan Co., Ltd. However, there is no special relationship between the Company and such company that must be disclosed under this item. Ms. Mitsuko Kagami, Outside Audit & Supervisory Board Member, serves concurrently as Outside Director for MEDIPAL HOLDINGS CORPORATION. However, there is no special relationship between the Company and such company that must be disclosed under this item. Ms. Hiroko Kaneko, Outside Audit & Supervisory Board Member, serves concurrently as Outside Director/Audit & Supervisory Committee Member for Mitsubishi HC Capital Inc. and Outside Audit & Supervisory Board Member for Development Bank of Japan Inc. However, there is no special relationship between the Company and either of these two companies that must be disclosed under this item.
5. Mr. Yoshihito Kosaka, Outside Audit & Supervisory Board Member, is licensed as a Certified Public Accountant and as a Certified Public Tax Accountant, and brings with him a considerable degree of knowledge and experience in the fields of finance and accounting. Ms. Hiroko Kaneko, Outside Audit & Supervisory Board Member, is licensed as a Certified Public Accountant and brings with her a considerable degree of knowledge and experience in the fields of finance and accounting, such as having served as a member of the Business Accounting Council, Financial Services Agency.
6. The Company has entered into an agreement with each of the Outside Directors and Audit & Supervisory Board Members, pursuant to Paragraph 1, Article 427 of the Corporations Law, to limit the amount of the liability for damages stipulated in Paragraph 1, Article 423 of said law to the amount set forth in the applicable law.
7. The Company has entered into a directors and officers liability insurance agreement with an insurance company, pursuant to Paragraph 1, Article 430-3 of the Corporations Law. The insurance policies cover the liability of the insured persons arising from the performance of their duties as well as damages arising from claims received pertaining to the pursuit of said liability. However, there are certain exclusions, such as no coverage for damages arising from actions taken with the knowledge that they were in violation of laws and regulations. The insured persons under the insurance policies are Directors, Audit & Supervisory Board Members, Corporate Officers and managerial employees of the Company and certain subsidiaries.
8. Five Outside Directors and three Outside Audit & Supervisory Board Members of the Company -- Mr. Hiroshi Komiyama, Mr. Kuniharu Nakamura, Mr. Michael H. McGarry, Ms. Mariko Hasegawa, and Mr. Takashi Hibino as Directors, Mr. Yoshihito Kosaka, Ms. Mitsuko Kagami and Ms. Hiroko Kaneko as Audit & Supervisory Board Members -- have been reported to the Tokyo Stock Exchange, Inc., etc. as Independent Officers.

9. As of March 31, 2026, the Company has the following 15 Corporate Officers.

Title	Name	Assigned Duties, etc.
Representative Director - Chairman of the Board Meeting	Fumio Akiya	In charge of Semiconductor Materials and Technologies Representative Director & President, Shin-Etsu Handotai Co., Ltd.
Representative Director - President	Yasuhiko Saitoh	Director & President, SHINTECH INC. Director & President, Shin-Etsu Handotai America, Inc.
Director, Senior Managing Corporate Officer	Susumu Ueno	In charge of Silicone Chemical Technologies and Magnetic Materials Div.
Director, Senior Managing Corporate Officer	Masahiko Todoroki	In charge of Semiconductor Materials Dept. Senior Managing Director, Shin-Etsu Handotai Co., Ltd.
Managing Corporate Officer	Toshiya Akimoto	In charge of Office of the Secretariat, Public Relations, Legal Affairs and Business Auditing General Manager, Office for Digitization and Digitalization
Managing Corporate Officer	Fumio Arai	In charge of Purchasing General Manager, Organic Chemicals Div.
Managing Corporate Officer	Masaki Miyajima	In charge of Advanced Materials Div. General Manager, PVC Div.
Managing Corporate Officer	Yukinori Satoh	General Manager, Silicone Div.
Managing Corporate Officer	Shigeyoshi Netsu	In charge of Patents and Special Functional Products Div. General Manager, Research & Development Dept.
Managing Corporate Officer	Hideaki Oka	General Manager, New Functional Materials Div.
Corporate Officer	Toshiyuki Kasahara	In charge of General Affairs General Manager, Finance & Accounting Dept.
Corporate Officer	Kai Yasuoka	In charge of Personnel & Labor Relations
Corporate Officer	Ichiro Onozawa	In charge of Environmental Control & Safety Director, General Manager of Shirakawa Plant, Shin-Etsu Handotai Co., Ltd.
Corporate Officer	Yukio Shibano	In charge of Organic Hybrid Materials Div. General Manager, Naoetsu Plant
Corporate Officer	Tetsuya Kurokawa	General Manager, International Div. General Manager, Office of the President

2. Remuneration, etc. of Directors and Audit & Supervisory Board Members Attributable to the Fiscal Year under Review
- (1) Policy, etc. for Determining the Amount of Remuneration, etc. of Individual Directors and Audit & Supervisory Board Members

The Company has resolved the policy at the Board of Directors Meeting (Paragraph 7, Article 361 of the Corporations Law). For the resolution, the Company has obtained the approval of the Officers' Remuneration Committee, the majority of whose members are Outside Directors.

With regard to the remuneration, etc. of individual Directors attributable to the fiscal year under review, the Board of Directors confirmed that the method for determining remuneration, etc. is consistent with the foregoing policy and that the determined remuneration, etc. was as reported by the Officers' Remuneration Committee based on its examination and evaluation. As such, the Company deems the amounts are in line with the foregoing policy.

The policy, etc. for determining the amount of remuneration, etc. of individual Directors and Audit & Supervisory Board Members is as follows.

- a. Basic policy

The remuneration system of Directors shall be designed to contribute to the mid- to long-term enhancement of the corporate value of the Company, and the remuneration of Directors shall be determined by the Board of Directors based on the results of the review and evaluation by the Officers' Remuneration Committee as well as its opinion thereon. The remuneration shall consist of "fixed remuneration" determined as appropriate for each individual's position, job responsibilities, etc., and "performance-based remuneration" that takes into consideration the annual financial performance of the Company as an incentive for the enhancement of corporate value, as well as "stock options" as an incentive for higher motivation and morale to execute one's duties and to improve performance, and ultimately for the enhancement of shareholder value (stock price-linked remuneration).

On the other hand, the remuneration of Audit & Supervisory Board Members shall be determined through their mutual consultation. The remuneration shall consist of "fixed remuneration" determined as appropriate for each individual's job responsibilities as an Audit & Supervisory Board Member.

Outside Directors and Audit & Supervisory Board Members are not entitled to any "performance-based remuneration" or "stock options" as they are expected to perform supervisory and checking functions over management.

- b. Policy on determining the amount of fixed remuneration (monetary remuneration) of individual Directors or the calculation method thereof

Based on the request of the Board of Directors, fixed remuneration shall be deliberated regularly by the Officers' Remuneration Committee to set the remuneration levels and to perform the review and evaluation to determine the amount of fixed remuneration of individual Directors for the relevant fiscal year as appropriate for each individual's position, job responsibilities, etc., and advised by the Committee to the Board of Directors. The Board of Directors shall decide the amount of fixed remuneration of individual Directors in accordance with the report of the Officers' Remuneration Committee.

Fixed remuneration shall be paid on a monthly basis as monthly remuneration.

- c. Policy on determining the performance measures used for the calculation of performance-based remuneration of Directors and the amount or quantity of performance-based remuneration of Directors

The performance measure for performance-based remuneration shall be the annual consolidated ordinary income of the Company. This is because the Company defines its management targets in terms of annual increases in revenue and profit and focuses on growth in sales and profit through daily, monthly, and annual efforts to achieve the solid operation and management of the Company. On the other hand, as the business of the Company is subject to the impact of market conditions, the Company shall also perform evaluations based on a comparison with the financial performance of industry peers.

Based on the request of the Board of Directors, performance-based remuneration shall be deliberated regularly by the Officers' Remuneration Committee to set the performance-based remuneration levels and to determine the relative remuneration proportion and mechanism to ensure it is tied to the Company's financial performance, as well as to perform the review and evaluation to determine the total amount of performance-based remuneration and the amount to be allotted to individual Directors based on changes in the consolidated ordinary income for the relevant fiscal year from the previous fiscal year and in consideration of the financial performance of industry peers, and advised by the Committee to the Board of Directors. The Board of Directors shall decide the total amount of performance-based remuneration and the amount to be allotted to individual Directors in accordance with the report of the Officers' Remuneration Committee.

Performance-based remuneration shall be paid as a bonus after the close of each annual general meeting of shareholders.

- d. Policy on determining the non-monetary remuneration details of Directors and the amount or quantity of non-monetary remuneration of Directors or the calculation method thereof

Stock Acquisition Rights, which will be issued as stock options based on a resolution of the Board of Directors, shall be granted as non-monetary remuneration. Based on the request of the Board of Directors, the Officers' Remuneration Committee shall perform the review and evaluation to determine the number of stock options to be allotted to eligible Directors and advise the Board of Directors accordingly.

The monetary value of stock options granted as non-monetary remuneration shall be calculated by multiplying the unit fair value of the Stock Acquisition Rights calculated as of the date of allotment of the Stock Acquisition Rights by the total number of Stock Acquisition Rights allotted based on the advice of the Officers' Remuneration Committee.

The timing of grants of stock options shall be determined by a resolution of the Board of Directors.

- e. Determining the relative proportion of each type of remuneration (performance-based remuneration, non-monetary remuneration, and other remuneration) for the remuneration of individual Directors

The remuneration of the Directors (excluding Outside Directors) consists of fixed remuneration, performance-based remuneration, and stock options. The relative proportion of each type of remuneration shall be appropriately deliberated by the Officers' Remuneration Committee as set forth in a. Basic policy above to ensure that the remuneration will effectively serve as an incentive for the enhancement of corporate value and shareholder value.

- f. Policy on determining the amount of remuneration for Audit & Supervisory Board Members or the calculation method thereof

Audit & Supervisory Board Members shall have the right to decide on the policy on determining the amount of their remuneration or the calculation method thereof. Audit & Supervisory Board Members shall determine their remuneration through mutual consultation among them in consideration of the content of the deliberations of the Officers' Remuneration Committee.

The Officers' Remuneration Committee shall deliberate on the total amount of remuneration of Audit & Supervisory Board Members and the amount of remuneration of individual members to be determined as appropriate for each individual's job responsibilities.

(2) Matters concerning Resolutions of the General Meeting of Shareholders regarding the Remuneration, etc. of Directors and Audit & Supervisory Board Members

The 144th Ordinary General Meeting of Shareholders held on June 29, 2021 resolved to determine the amount of remuneration, etc. of Directors as follows: no more than 2 billion yen per year (including within this amount 200 million yen for Outside Directors). The General Meeting also resolved that the Company shall issue monthly remuneration, which is fixed remuneration, and bonuses, which is performance-based remuneration, as remuneration for execution of duties for the relevant fiscal year, within the range of the above amounts. Aside from the above, the 144th Ordinary General Meeting of Shareholders held on June 29, 2021 resolved that the amount of remuneration, etc. to be used for the payment in exchange for the Stock Acquisition Rights issued to the Company's Directors (excluding Outside Directors) as stock options shall be within the range of 750 million yen per year. The General Meeting also resolved that the details of the Stock Acquisition Rights to be issued shall be as follows: up to an aggregate number of 4,000 Stock Acquisition Rights may be issued within the one-year period commencing from the day of the Ordinary General Meeting of Shareholders for each business year. As for the type and quantity of shares subject to such Stock Acquisition Rights, up to 400,000 common shares of the Company may be issued upon the exercise of such Stock Acquisition Rights.\* The amount of remuneration, etc. for Directors mentioned in the two resolutions above does not include the employee salaries of Directors who serve concurrently as employees. As at the conclusion of the above General Meeting of Shareholders, there were eleven (11) Directors (five (5) Outside Directors included) in total.

The 131st Ordinary General Meeting of Shareholders held on June 27, 2008 resolved to determine the amount of remuneration, etc. of Audit & Supervisory Board Members as follows: no more than 150 million yen per year. The General Meeting also resolved that the Company shall issue monthly remuneration, which is fixed remuneration, as remuneration for execution of duties for the relevant fiscal year, within the range of the above amounts. As at the conclusion of the above General Meeting of Shareholders, there were five (5) Audit & Supervisory Board Members in total.

\* The Company carried out a 5-for-1 share split of its common shares as of April 1, 2023. As a result, from that date onwards, up to an aggregate number of 20,000 Stock Acquisition Rights may be issued within the one-year period commencing from the day of the Ordinary General Meeting of Shareholders for each business year. As for the type and quantity of shares subject to such Stock Acquisition Rights, up to 2,000,000 common shares of the Company may be issued upon the exercise of such Stock Acquisition Rights.

(3) Amounts of Remuneration, etc. Payable to Directors and Audit & Supervisory Board Members

Designation	Total Amount of Remuneration, etc.		Amount of Remuneration, etc. by Type					
			Fixed Remuneration		Performance-based Remuneration, etc.		Non-monetary Remuneration, etc.	
	Total Amount	Number of Recipients	Total Amount	Number of Recipients	Total Amount	Number of Recipients	Total Amount	Number of Recipients
Directors	Million Yen 1,141	Persons 9	Million Yen 619	Persons 9	Million Yen 263	Persons 4	Million Yen 259	Persons 4
Audit & Supervisory Board Members	74	5	74	5	—	—	—	—
Total	1,216	14	694	14	263	4	259	4
(Of which, Outside Directors and Outside Audit & Supervisory Board Members)	(191)	(8)	(191)	(8)	(—)	(—)	(—)	(—)

Notes:1. The above figures for “Performance-based Remuneration, etc.” include the bonus reserve amount attributable to the fiscal year under review. The performance measures chosen as the base figures for calculating the amount of performance-based remuneration, etc. and the reasons for having chosen the performance measures are as described in “(1) Policy, etc. for Determining the Amount of Remuneration, etc. of Individual Directors and Audit & Supervisory Board Members” above. In addition, the calculation method for the amount of performance-based remuneration, etc. is as described in “(1) Policy, etc. for Determining the Amount of Remuneration, etc. of Individual Directors and Audit & Supervisory Board Members” above. The consolidated ordinary income for the Company’s group for this consolidated fiscal year, a performance measure, is as described in “I. Matters Concerning the Current State of the Company’s Group” above.

2. 25th Issue of Stock Acquisition Rights (for Distribution to Directors and Corporate Officers), which was issued as stock options based on a resolution of the Board of Directors held on August 15, 2025, was granted to the Directors excluding Outside Directors as non-monetary remuneration, etc.

3. In addition to the above, the amounts of remuneration and others paid or payable to Outside Directors and Outside Audit & Supervisory Board Members from subsidiaries of the Company for serving as Director or Audit & Supervisory Board Member of such subsidiaries in the fiscal year under review aggregated 3 million yen. There is no information reportable under the disclosure item regarding remuneration and others paid or payable to Outside Directors and Outside Audit & Supervisory Board Members from a parent company or its subsidiaries for serving as Director or Audit & Supervisory Board Member in the fiscal year under review.

3. Matters Concerning Outside Directors and Outside Audit & Supervisory Board Members

(1) Main Activities via Board of Directors Meetings and Other Arrangements during the Fiscal Year under Review

In addition to the statutory Board of Directors, the Company has a second principal organ, called the Managing Directors’ Meeting, for considering and deciding the execution of business processes, and each organ holds a meeting once a month (The Board of Directors meetings were held 13 times during the fiscal year under review.) as a general rule. The activities of the Company’s Outside Directors and Outside Audit & Supervisory Board Members, which were centered on participation in these meetings, are reviewed below:

a. Activities of Outside Directors

Name	Main Activities
Hiroshi Komiyama	<p>The Director attended all 13 meetings of the Board of Directors, as well as the Managing Directors' Meeting, held during the fiscal year under review. The Director, who has served as President of the University of Tokyo, as well as in a variety of distinguished positions, shared his beneficial recommendations concerning efforts to utilize renewable energy and initiatives to procure raw materials, etc., capitalizing on his outstanding knowledge and wealth of experience in a wide range of disciplines, including chemical engineering, the global environment, and natural resources and energy. He also provided thorough supervision from an independent standpoint, performing the job expected of him.</p> <p>He serves as a chair of the Officers' Remuneration Committee.</p>
Kuniharu Nakamura	<p>The Director attended all 13 meetings of the Board of Directors, as well as the Managing Directors' Meeting, held during the fiscal year under review. The Director shared his beneficial recommendations concerning (i) proper compliance with revised laws and regulations and (ii) research and development budget allocation, and initiatives on new research, etc., capitalizing on his management experience at SUMITOMO CORPORATION, a general trading company, and based on his prominent knowledge of and abundant experience in international business in a wide variety of fields. He also provided thorough supervision from an independent standpoint, performing the job expected of him.</p> <p>He serves as a member of the Officers' Remuneration Committee.</p>
Michael H. McGarry	<p>The Director attended all 13 meetings of the Board of Directors, as well as the Managing Directors' Meeting, held during the fiscal year under review. The Director shared his beneficial recommendations on business conditions in the U.S. and the importance of following up on investment projects, etc. capitalizing on his management experience at PPG Industries, Inc. in the U.S., a global leader in paints and coatings. The Director leveraged his outstanding knowledge and wealth of experience in a broad range of chemical industry fields to support and guide the management team. He also provided thorough supervision from an independent standpoint, satisfactorily performing the job expected of him.</p> <p>He serves as a member of the Officers' Remuneration Committee.</p>
Mariko Hasegawa	<p>The Director attended all 13 meetings of the Board of Directors, as well as the Managing Directors' Meeting, held during the fiscal year under review. The Director shared her beneficial recommendations on how to secure human resources and strengthen the education and training system for utilizing AI as well as how to streamline business operations, capitalizing on her outstanding knowledge and wealth of experience in a variety of fields, such as having served as President of the Graduate University for Advanced Studies, SOKENDAI and a member of the National Public Safety Commission, built upon her many research achievements as a researcher in natural anthropology. She also provided thorough supervision from an independent standpoint, satisfactorily performing the job expected of her.</p>

Name	Main Activities
Takashi Hibino	The Director attended all 13 meetings of the Board of Directors, as well as the Managing Directors' Meeting, held during the fiscal year under review. The Director shared his beneficial recommendations on matters such as the approach to policy-held shares amid ongoing reductions and the importance of disclosing non-financial information, including a human capital strategy, etc., capitalizing on his management experience at Daiwa Securities Group Inc., a global securities company, and based on expert knowledge and abundant experience in the financial business. He also provided thorough supervision from an independent standpoint, satisfactorily performing the job expected of him.

b. Activities of Outside Audit & Supervisory Board Members

Name	Main Activities
Yoshihito Kosaka	The Audit & Supervisory Board Member attended all 13 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Board, as well as the Managing Directors' Meeting, held during the fiscal year under review. At the Audit & Supervisory Board meetings, he shared his comments from a finance and accounting specialist's point of view. In addition, he received reports from Directors, Corporate Officers and employees, etc. on the execution of duties and conducted investigations of offices/factories and subsidiaries of the Company, thereby exercising his audit function thoroughly.
Mitsuko Kagami	The Audit & Supervisory Board Member attended all 13 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Board, as well as the Managing Directors' Meeting, held during the fiscal year under review. At the Board of Directors meetings, she shared her comments on important points regarding contracts. At the Audit & Supervisory Board meetings, she also shared her comments from a legal specialist's point of view. In addition, she received reports from Directors, Corporate Officers and employees, etc. on the execution of duties and conducted investigations of offices/factories and subsidiaries of the Company, thereby exercising her audit function thoroughly.
Hiroko Kaneko	The Audit & Supervisory Board Member attended 12 of 13 meetings of the Board of Directors (92% attendance rate) and all 14 meetings of the Audit & Supervisory Board, as well as the Managing Directors' Meeting, held during the fiscal year under review. At the Board of Directors meetings and the Audit & Supervisory Board meetings, she shared her comments from a finance and accounting specialist's point of view. In addition, she received reports from Directors, Corporate Officers and employees, etc. on the execution of duties and conducted investigations of offices/factories and subsidiaries of the Company, thereby exercising her audit function thoroughly.

(2) Relationship with the Company or the Company's Particular Associated Business Interests, Such as Major Trading Partner

No Outside Directors or Outside Audit & Supervisory Board Members hold such a relationship that must be disclosed under this item.

#### **IV. Status of Accounting Auditor**

1. Name of Accounting Auditor

Ernst & Young ShinNihon LLC

2. General Description of Limitation of Liability Agreement

No agreement exists that must be disclosed under this item.

3. Amount of Remuneration and Others Payable to Accounting Auditor Attributable to Fiscal Year under Review

- a. Amount of remuneration and others payable by the Company for the audit service as specified in Paragraph 1, Article 2 of the Certified Public Accountants Law

96 million yen

- b. Total amount of monetary and other financial benefits payable by the Company and its Subsidiaries

297 million yen

Notes: 1. The Audit Agreement between the Company and the Accounting Auditor does not distinguish between the amounts of remuneration and others for the Accounting Auditor's audit service specified under the Corporations Law and for the audit service specified under the Financial Instruments and Exchange Law. In fact, these amounts are practically indivisible, so the amount shown above is given as a lump sum.

2. With respect to remuneration and others payable to the Accounting Auditor, the Audit & Supervisory Board of the Company gives consent set forth in Paragraph 1, Article 399 of the Corporations Law after confirming and reviewing the audit plan of the Accounting Auditor, the performance of duties relating to accounting audit, the necessity for amending the amount of remuneration and others payable and other matters.

4. Details of Non-audit Services

The Company pays the Accounting Auditor a retainer in consideration of its advice, etc. on internal controls over financial reporting, which falls outside the scope of audit services specified in Paragraph 1, Article 2 of the Certified Public Accountants Law.

5. Retention of Audit Corporations Other Than Company's Accounting Auditor to Audit Financial Documents of Subsidiaries of the Company

Of the Company's Significant Subsidiaries, those employing an audit corporation (that may be an equivalent auditor qualified outside Japan) other than the Company's Accounting Auditor, to receive audit services (to the extent specified in the Corporations Law and in the Financial Instruments and Exchange Law [or in equivalent legislation applicable outside Japan]) are as follows: Shin-Etsu PVC B.V.; Shin-Etsu Handotai Taiwan Co., Ltd.; Mimasu Semiconductor Industry Co., Ltd.; S.E.H. Malaysia Sdn. Bhd.; SHIN-ETSU HANDOTAI EUROPE LIMITED; SE Tylose GmbH & Co. KG; Shin-Etsu Silicones (Thailand) Limited; and Asia Silicones Monomer Limited.

6. Policy for Determining the Dismissal or Non-reappointment of Accounting Auditor

The Company’s policy states that, if the Accounting Auditor is found to meet the definition of one of the Items of Paragraph 1, Article 340 of the Corporations Law, subject to the consent of all Audit & Supervisory Board Members, the Audit & Supervisory Board shall dismiss the Accounting Auditor. In addition to the cases mentioned above, the Audit & Supervisory Board determines the content of the proposal to be submitted to the General Meeting of Shareholders concerning the dismissal or non-reappointment of the Accounting Auditor if the Company has a reason or need of its own to do so or if it is difficult for the Accounting Auditor to perform its duties appropriately.



The monetary amounts and numbers of shares set out in this BUSINESS REPORT are expressed as full units with any fractions of the indicated units rounded down to the nearest full unit.

## CONSOLIDATED BALANCE SHEET

As of March 31, 2026 (Amounts are stated in millions of yen; amounts less than 1 million are omitted.)

### ASSETS

#### Current Assets:

	(Millions of yen)
Cash and time deposits -----	1,660,060
Notes, accounts receivable-trade and contract assets -----	535,383
Securities-----	7,035
Merchandise and finished goods -----	326,709
Work in process-----	24,224
Raw materials and supplies -----	439,977
Other-----	126,156
Less: Allowance for doubtful accounts -----	<u>(13,491)</u>
Total current assets	<u>3,106,055</u>

#### Fixed Assets:

Property, Plant and Equipment:	
Buildings and structures, net-----	432,855
Machinery and equipment, net -----	1,044,095
Land -----	126,977
Construction in progress-----	514,796
Other, net -----	<u>34,563</u>
Total property, plant and equipment	<u>2,153,287</u>

Intangible Assets-----	34,695
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#### Investments and Other Assets:

Investments in securities -----	151,829
Deferred tax assets -----	99,001
Net defined benefit asset -----	8,948
Other-----	112,708
Less: Allowance for doubtful accounts -----	<u>(4,618)</u>
Total investments and other assets	<u>367,868</u>
Total fixed assets	<u>2,555,852</u>

TOTAL ASSETS	<u>5,661,907</u>
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## LIABILITIES

### Current Liabilities:

	(Millions of yen)
Notes and accounts payable-trade-----	176,399
Short-term borrowings-----	6,929
Accounts payable-other-----	88,557
Accrued expenses-----	102,356
Accrued income taxes-----	89,167
Accrued bonuses for employees-----	6,247
Accrued bonuses for directors-----	479
Other-----	<u>52,492</u>
Total current liabilities	<u>522,631</u>

### Long-Term Liabilities:

Long-term debt-----	236,366
Deferred tax liabilities-----	209,216
Net defined benefit liability-----	25,966
Other-----	<u>24,420</u>
Total long-term liabilities	<u>495,969</u>

TOTAL LIABILITIES 1,018,600

## NET ASSETS

### Stockholders' Equity:

Common stock-----	119,419
Additional paid-in capital-----	126,256
Retained earnings-----	4,022,591
Less: Treasury stock, at cost-----	<u>(612,696)</u>
Total stockholders' equity	<u>3,655,570</u>

### Accumulated Other Comprehensive Income:

Unrealized gains (losses) on available-for-sale securities-----	42,390
Deferred gains (losses) on hedges-----	(997)
Foreign currency translation adjustments-----	749,285
Remeasurements of defined benefit plans-----	<u>10,584</u>
Total accumulated other comprehensive income	<u>801,262</u>

Share Subscription Rights-----	7,596
Non-Controlling Interests in Consolidated Subsidiaries-----	178,877

TOTAL NET ASSETS 4,643,307

TOTAL LIABILITIES AND NET ASSETS 5,661,907

## CONSOLIDATED STATEMENT OF INCOME

For the fiscal year ended March 31, 2026 (Amounts are stated in millions of yen; amounts less than 1 million are omitted.)

	(Millions of yen)
Net Sales -----	2,573,969
Cost of Sales -----	<u>1,693,175</u>
Gross profit -----	880,793
Selling, General and Administrative Expenses -----	<u>245,588</u>
Operating income -----	635,204
Non-Operating Income:	
Interest income -----	62,927
Other income -----	<u>25,474</u>
Total non-operating income -----	88,401
Non-Operating Expenses:	
Interest expenses -----	2,706
Loss on retirement of non-current assets -----	3,850
Other expenses -----	<u>8,766</u>
Total non-operating expenses -----	<u>15,323</u>
Ordinary income -----	708,281
Extraordinary income:	
Gain on sale of investment securities -----	<u>10,572</u>
Total extraordinary income -----	10,572
Extraordinary losses:	
Business restructuring expenses -----	<u>10,365</u>
Total extraordinary losses -----	10,365
Income before income taxes and non-controlling interests -----	708,488
Income Taxes:	
Current -----	197,399
Deferred -----	<u>4,798</u>
Total income taxes -----	<u>202,198</u>
Net Income -----	506,289
Net Income Attributable to Non-Controlling Interests -----	<u>31,830</u>
Net Income Attributable to Owners of Parent -	<u><u>474,459</u></u>

## CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

For the fiscal year ended March 31, 2026 (Amounts are stated in millions of yen; amounts less than 1 million are omitted.)

(Millions of yen)

	Stockholders' Equity				[Total]
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	
Balance as of April 1, 2025	119,419	125,694	3,755,274	(121,025)	3,879,362
Changes during the year					
Cash dividends			(203,162)		(203,162)
Net income attributable to owners of parent			474,459		474,459
Purchase of treasury stock				(500,006)	(500,006)
Disposal of treasury stock		(3,981)		8,335	4,354
Transfer to additional paid-in capital from retained earnings		3,981	(3,981)		-
Other		562			562
Net changes of items other than stockholders' equity					
Total changes during the year	-	562	267,316	(491,670)	(223,791)
Balance as of March 31, 2026	119,419	126,256	4,022,591	(612,696)	3,655,570

	Accumulated Other Comprehensive Income					Share subscription rights	Non-controlling interests in consolidated subsidiaries	Total net assets
	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	[Total]			
Balance as of April 1, 2025	32,481	777	734,201	9,412	776,873	6,237	175,112	4,837,585
Changes during the year								
Cash dividends								(203,162)
Net income attributable to owners of parent								474,459
Purchase of treasury stock								(500,006)
Disposal of treasury stock								4,354
Transfer to additional paid-in capital from retained earnings								-
Other								562
Net changes of items other than stockholders' equity	9,908	(1,775)	15,084	1,171	24,388	1,359	3,765	29,513
Total changes during the year	9,908	(1,775)	15,084	1,171	24,388	1,359	3,765	(194,278)
Balance as of March 31, 2026	42,390	(997)	749,285	10,584	801,262	7,596	178,877	4,643,307

## NON-CONSOLIDATED BALANCE SHEET

As of March 31, 2026 (Amounts are stated in millions of yen; amounts less than 1 million are omitted)

### ASSETS

#### Current Assets:

	(Millions of yen)
Cash and time deposits -----	194,910
Notes receivable -----	4,051
Accounts receivable-trade -----	314,325
Merchandise and finished goods -----	64,522
Semi-finished products -----	59,729
Raw materials and supplies -----	169,321
Advance payments -----	281
Short-term loans -----	95,718
Accounts receivable-other -----	48,595
Other -----	2,622
Less: Allowance for doubtful accounts -----	<u>(2,310)</u>
Total current assets	<u>951,768</u>

#### Fixed Assets:

##### Property, Plant and Equipment:

Buildings, net -----	95,042
Structures, net -----	13,195
Machinery and equipment, net -----	70,823
Vehicles, net -----	61
Tools, furniture and fixtures, net -----	4,348
Land -----	31,459
Leased assets, net -----	647
Construction in progress -----	<u>146,809</u>
Total property, plant and equipment	<u>362,388</u>

Intangible Assets -----	1,604
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##### Investments and Other Assets:

Investments in securities -----	65,449
Investments in capital of subsidiaries and affiliates -----	223,606
Investments in partnerships -----	501
Investments in partnerships of subsidiaries and affiliates -----	27,312
Long-term loans -----	7,071
Long-term prepaid expenses -----	107
Deferred tax assets -----	43,720
Other -----	8,046
Less: Allowance for doubtful accounts -----	<u>(10)</u>
Total investments and other assets	<u>375,806</u>
Total fixed assets	<u>739,799</u>

TOTAL ASSETS	<u>1,691,567</u>
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## LIABILITIES

### Current Liabilities:

	(Millions of yen)
Accounts payable-trade-----	118,522
Electronically recorded obligations - operating-----	882
Short-term borrowings-----	4,870
Lease obligations-----	86
Accounts payable-other-----	47,180
Accrued income taxes-----	42,614
Accrued expenses-----	27,465
Advances received-----	756
Deposits-----	82,095
Accrued bonuses for directors-----	263
Other-----	<u>1,511</u>
Total current liabilities	<u>326,248</u>

### Long-Term Liabilities:

Long-term debt-----	235,000
Lease obligations-----	626
Long-term accounts payable-other-----	300
Accrued retirement benefits-----	10,092
Asset retirement obligations-----	<u>72</u>
Total long-term liabilities	<u>246,092</u>

**TOTAL LIABILITIES** 572,340

## NET ASSETS

### Stockholders' Equity:

Common stock-----	119,419
Additional paid-in capital:	
Capital reserve-----	<u>120,771</u>
Total additional paid-in capital-----	<u>120,771</u>

### Retained earnings:

Legal earned reserve-----	6,778
Other retained earnings:	
Reserve for disaster prevention-----	85
Reserve for reduction entry of fixed assets-----	1,678
Reserve for reduction entry of land-----	20
Retained earnings brought forward-----	<u>1,446,379</u>
Total other retained earnings-----	<u>1,448,165</u>
Total retained earnings-----	<u>1,454,943</u>

Less: Treasury stock, at cost-----	<u>(612,696)</u>
Total stockholders' equity	<u>1,082,438</u>

### Valuation and Translation Adjustments:

Unrealized gains (losses) on available-for-sale securities-----	29,638
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Share Subscription Rights-----	<u>7,149</u>
TOTAL NET ASSETS	<u>1,119,226</u>

**TOTAL LIABILITIES AND NET ASSETS** 1,691,567

## NON-CONSOLIDATED STATEMENT OF INCOME

For the fiscal year ended March 31, 2026 (Amounts are stated in millions of yen; amounts less than 1 million are omitted.)

	(Millions of yen)
Net Sales -----	844,666
Cost of Sales -----	<u>569,381</u>
Gross profit -----	275,285
Selling, General and Administrative Expenses -----	<u>66,944</u>
Operating income -----	208,341
Non-Operating Income:	
Interest income -----	3,205
Dividend income -----	548,890
Other income -----	<u>9,866</u>
Total non-operating income -----	561,961
Non-Operating Expenses:	
Interest expenses -----	3,374
Other expenses -----	<u>3,625</u>
Total non-operating expenses -----	6,999
Ordinary income -----	<u>763,302</u>
Extraordinary income:	
Gain on sale of investment securities -----	<u>10,504</u>
Total extraordinary income -----	10,504
Extraordinary losses:	
Loss on valuation of investments in partnerships of subsidiaries and affiliates --	<u>1,997</u>
Total extraordinary losses -----	<u>1,997</u>
Income before income taxes -----	771,809
Income Taxes:	
Current -----	71,500
Deferred -----	<u>(8,220)</u>
Total income taxes -----	63,280
Net Income -----	<u><u>708,529</u></u>

## NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

For the fiscal year ended March 31, 2026 (Amounts are stated in millions of yen; amounts less than 1 million are omitted.)

(Millions of yen)

	Stockholders' Equity								
	Common stock	Additional paid-in capital			Retained earnings			Treasury stock, at cost	[Total]
		Capital reserve	Other capital reserve	[Total]	Legal earned reserve	*Other retained earnings	[Total]		
Balance as of April 1, 2025	119,419	120,771	-	120,771	6,778	946,778	953,556	(121,025)	1,072,722
Changes during the year									
Cash dividends						(203,162)	(203,162)		(203,162)
Net income						708,529	708,529		708,529
Purchase of treasury stock								(500,006)	(500,006)
Disposal of treasury stock			(3,981)	(3,981)				8,335	4,354
Transfer to additional paid-in capital from retained earnings			3,981	3,981		(3,981)	(3,981)		-
Net changes of items other than stockholders' equity									
Total changes during the year	-	-	-	-	-	501,386	501,386	(491,670)	9,716
Balance as of March 31, 2026	119,419	120,771	-	120,771	6,778	1,448,165	1,454,943	(612,696)	1,082,438
		Valuation and translation adjustments				Total net assets			
		Unrealized gains (losses) on available-for-sale securities			Share subscription rights				
Balance as of April 1, 2025		27,379			5,826	1,105,929			
Changes during the year									
Cash dividends						(203,162)			
Net income						708,529			
Purchase of treasury stock						(500,006)			
Disposal of treasury stock						4,354			
Transfer to additional paid-in capital from retained earnings						-			
Net changes of items other than stockholders' equity		2,258		1,322		3,581			
Total changes during the year		2,258		1,322		13,297			
Balance as of March 31, 2026		29,638		7,149		1,119,226			

\* Breakdown of other retained earnings

	(Millions of yen)				
	Reserve for disaster prevention	Reserve for reduction entry of fixed assets	Reserve for reduction entry of land	Retained earnings brought forward	Total other retained earnings
Balance as of April 1, 2025	83	1,710	20	944,964	946,778
Changes during the year					
Cash dividends				(203,162)	(203,162)
Provision of reserve for disaster prevention	1			(1)	-
Reversal of reserve for reduction entry of fixed assets		(31)		31	-
Transfer to additional paid-in capital from retained earnings				(3,981)	(3,981)
Net income				708,529	708,529
Total changes during the year	1	(31)	-	501,415	501,386
Balance as of March 31, 2026	85	1,678	20	1,446,379	1,448,165

**Independent Auditor's Report**

May 15, 2026

The Board of Directors  
Shin-Etsu Chemical Co., Ltd.

Ernst & Young ShinNihon LLC  
Tokyo, Japan

Noriaki Kenmochi  
Designated Engagement Partner  
Certified Public Accountant

Satoshi Kanazawa  
Designated Engagement Partner  
Certified Public Accountant

Tetsuya Kawawaki  
Designated Engagement Partner  
Certified Public Accountant

**Opinion**

Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets, and notes to the consolidated financial statements of Shin-Etsu Chemical Co., Ltd. and its consolidated subsidiaries (the Group) applicable to the fiscal year from April 1, 2025 to March 31, 2026.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Group applicable to the fiscal year ended March 31, 2026, in accordance with accounting principles generally accepted in Japan.

## **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Other Information**

The other information comprises the information included in the Group's business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Responsibilities of Management, the Corporate Auditor and the Board of Corporate Auditors for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Corporate Auditor and the Board of Corporate Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Corporate Auditor and the Board of Corporate Auditors with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.
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## Independent Auditor's Report

May 15, 2026

The Board of Directors  
Shin-Etsu Chemical Co., Ltd.

Ernst & Young ShinNihon LLC  
Tokyo, Japan

Noriaki Kenmochi  
Designated Engagement Partner  
Certified Public Accountant

Satoshi Kanazawa  
Designated Engagement Partner  
Certified Public Accountant

Tetsuya Kawawaki  
Designated Engagement Partner  
Certified Public Accountant

### **Opinion**

Pursuant to Article 436, Section 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of Shin-Etsu Chemical Co., Ltd. (the "Company") applicable to the 149<sup>th</sup> fiscal year from April 1, 2025 to March 31, 2026.

In our opinion, the accompanying financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of the Company, applicable to the fiscal year ended March 31, 2026, in accordance with accounting principles generally accepted in Japan.

## **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements and the Related Supplementary Schedules section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Other Information**

The other information comprises the information included in the Company's business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Company's reporting process of the other information.

Our opinion on the financial statements and the related supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the related supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the related supplementary schedules or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Responsibilities of Management, the Corporate Auditor and the Board of Corporate Auditors for the Financial Statements and the Related Supplementary Schedules**

Management is responsible for the preparation and fair presentation of these financial statements and the related supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the related supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the related supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements and the Related Supplementary Schedules**

Our objectives are to obtain reasonable assurance about whether the financial statements and the related supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the related supplementary schedules.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements and the related supplementary schedules is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the related supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements and the related supplementary schedules, including the disclosures, and whether the financial statements and the related supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Corporate Auditor and the Board of Corporate Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Corporate Auditor and the Board of Corporate Auditors with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

## Audit Report of Audit & Supervisory Board

### Audit Report

The Audit & Supervisory Board has prepared this Audit Report on the execution of duties by the Directors during the 149th fiscal year from April 1, 2025 to March 31, 2026, based upon, and after having considered, the audit reports prepared by the individual Audit & Supervisory Board Members. The Report follows:

1. Audit Methods and Procedures Used by Audit & Supervisory Board Members and by the Audit & Supervisory Board

(1) The Audit & Supervisory Board established its audit policy, plan and so forth, and received reports from the individual Audit & Supervisory Board Members on their progress in conducting audits, as well as their findings. The Board also received reports from the Directors and others and from the Accounting Auditor concerning their progress in executing duties, and requested explanations as needed.

(2) In accordance with the standards established by the Audit & Supervisory Board for auditing by the Audit & Supervisory Board Members, pursuant to the audit policy and plans and others, the individual Audit & Supervisory Board Members promoted communication with the Directors, Corporate Officers, the internal audit function, and other employees and others, in order to enhance information collection and the overall audit environment, and conducted audits by the following methods.

① They also attended the Board of Directors' meetings and other important meetings and received reports from the Directors, Corporate Officers and employees and others on their progress in executing duties and requested explanations from them as needed. They perused important documented decisions, approvals and others, and conducted investigations to ascertain the operation of business practices and the status of assets of the Head Office and other principal places of business. With regard to the subsidiaries, the Audit & Supervisory Board Members promoted communication and information sharing with the Directors, Audit & Supervisory Board Members and others of the subsidiaries and received business reports from subsidiaries as needed.

② They audited the substance of the Board of Directors' resolutions regarding the development of the systems to ensure the Directors execute their duties in conformity with laws and regulations and the Articles of Incorporation, and other systems specified in Paragraphs 1 and 3, Article 100 of the Corporations Law Enforcement Regulations necessary for ensuring the properness of operations undertaken by the company group composed of the stock company and its subsidiaries, as well as the systems (internal control systems) being developed in accordance with such resolutions. The Audit & Supervisory Board Members received periodic reports from the Directors, Corporate Officers and employees and others on their progress in establishing and operating such systems and requested explanations from them as needed.

③ The Audit & Supervisory Board monitored and verified the Accounting Auditor to determine whether it maintained its independence and conducted appropriate audits, and received reports from the Accounting Auditor on its progress in executing duties and asked for explanations as needed. The Board was also advised by the Accounting Auditor of its appropriate development of systems enumerated in the Items of Article 131 of the Corporate Calculation Regulations as constituting a "system to ensure the proper execution of duties," and asked for explanations as needed.

Based on the methods above, the Audit & Supervisory Board examined the Business Report and its Annexed Schedules, Financial Documents (Balance Sheet, Income Statement, Statement of Changes in Shareholders' Equity and Other Net Assets, and Non-consolidated Notes thereto) along with their Annexed Schedules, as well as the Consolidated Financial Documents (Consolidated Balance Sheet, Consolidated Income Statement, Consolidated Statement of Changes in Shareholders' Equity and Other Net Assets, and Consolidated Notes thereto), all covering the fiscal year under review.

## 2. Results of Audits

### (1) Results of Auditing Business Report and Others

- ① The Audit & Supervisory Board certifies that the Business Report and its Annexed Schedules fairly present the state of affairs of the Company in conformity with laws and regulations and the Articles of Incorporation.
- ② The Board finds no irregular acts that occurred or significant facts that violated laws and regulations or the Articles of Incorporation, in connection with the execution of duties by the Directors.
- ③ The Board certifies the adequacy of the Board of Directors' resolutions relevant to internal control systems. Also, the Board finds no items that require particular notice in connection with the substance of the Business Report or the execution of duties by the Directors relevant to such internal control systems.

### (2) Results of Auditing Financial Documents and their Annexed Schedules

The Audit & Supervisory Board certifies the appropriateness of audit procedures used by the Accounting Auditor, Ernst & Young ShinNihon LLC, and of the results of its audit.

### (3) Results of Auditing Consolidated Financial Documents

The Audit & Supervisory Board certifies the appropriateness of audit procedures used by the Accounting Auditor, Ernst & Young ShinNihon LLC, and of the results of its audit.

May 18, 2026

The Audit & Supervisory Board, Shin-Etsu Chemical Co., Ltd.

Full-time Audit & Supervisory Board Member	Hidenori Onezawa	(Seal)
Full-time Audit & Supervisory Board Member	Yoshimitsu Takahashi	(Seal)
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Yoshihito Kosaka	(Seal)
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Mitsuko Kagami	(Seal)
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Hiroko Kaneko	(Seal)

[End of Notification]